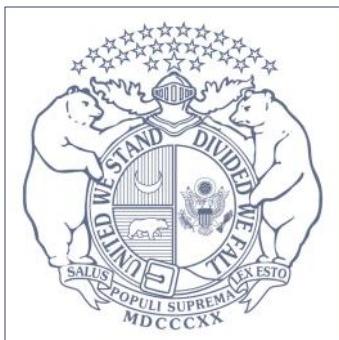


Missouri Ethics Commission

A Guide to Record-Keeping

For All Candidates and Committees



www.mec.mo.gov

Updated 06/2012

Missouri Ethics Commission

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***Information about the Ethics Commission and
all forms and requirements can be found on the
Commission's website at www.mec.mo.gov***

This booklet is intended only as a guide to aid understanding of the Campaign Finance Disclosure Law.

For the Law's complete requirements, consult the law itself codified at Chapter 130 of the Revised Statutes of Missouri.

About Record-Keeping

What is record-keeping?

Campaign finance disclosure law requires that all committees and all candidates, regardless of their reporting status, as well as certain individuals and entities, maintain accurate and up-to-date accounts and records regarding their campaign-related financial activity.

What is the purpose of record-keeping?

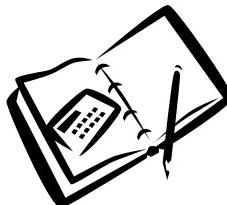
- ✓ Provide the information necessary to complete required reports *and*
- ✓ Provide a continuing record of financial transactions about committee activity and/or election

What are the requirements of record-keeping?

(130.036 RSMo)

Records must be:

- ✓ Maintained in accordance with accepted normal bookkeeping procedures
- ✓ Accurate and up-to-date
- ✓ Started when first become candidate or committee
- ✓ Established for each election
- ✓ Kept for 3 years after election (candidate) or after report filed (all other committees)
- ✓ Available for inspection by Missouri Ethics Commission



About Record-Keeping

When am I defined as a candidate? (130.011 RSMo)

When you:

- ✓ Announce candidacy or
- ✓ File a declaration of candidacy or
- ✓ Receive contributions or make expenditures or reserve facilities for campaign or
- ✓ Know or have reason to know others are receiving contributions or making expenditures or reserving facilities for candidacy on your behalf

What is a committee? (130.011 RSMo)

A committee is a person or person(s) who:

- ✓ Accepts contributions or spends money for the purpose of attempting to influence the action of voters *and*
- ✓ The money spent or received exceeds certain dollar amounts

What are the types of committees? (130.011 RSMo)

- ✓ Candidate—Formed by single candidate for office for a specific election
- ✓ Campaign—Formed to support or oppose a ballot measure in a specific election or the retention of judges
- ✓ Continuing (Political Action or PAC)—Formed and directed by someone other than the candidate and remains in existence beyond any one election or ballot issue
- ✓ Debt Service—Formed to retire a candidate committee's debt
- ✓ Exploratory—Formed to receive and spend money to determine whether an individual will seek public office
- ✓ Political Party—Formed to influence or attempt to influence the action of voters on behalf of a political party

About Record-Keeping

Who is responsible for record-keeping?

- ✓ Candidate (candidate committees)
- ✓ Treasurer
- ✓ Deputy Treasurer (if appointed)

What are requirements of the treasurer? (130.021)

RSMo)

- ✓ Must be resident of Missouri
- ✓ Must be resident of the district or county in which the committee sits (MEC Adv. Opin 2008-10.CF.009)
- ✓ If candidate committee, must be appointed by candidate

What are requirements of the deputy treasurer?

(130.021 RSMo)

- ✓ Must be resident of Missouri
- ✓ Must be resident of the candidate's district or any county which contains a portion of that district (MEC Adv. Opin 2008-10.CF.009)
- ✓ If candidate committee, must be appointed by candidate

What are the duties of the treasurer? (130.021 RSMo)

- ✓ Deposit/Withdraw/Write Checks
 - ◆ From official bank account
 - ◆ Can be done by candidate and/or deputy treasurer
- ✓ Maintain committee record-keeping
- ✓ Maintain committee reporting
- ✓ Ensure that committee funds are not comingled
- ✓ Invest funds in savings/investment account
- ✓ Provide contact information for person responsible for preserving committee's records for 3 years after election/report and within 10 days after termination

About Record-Keeping

What must the records include? (130.036 RSMo)

Records and accounts must contain detailed information and any documentation necessary to prepare and substantiate any statement or report filed.

Examples:

- Receipts
- Deposit records
- Bills/invoices/debit card receipts
- Canceled checks, checkbook register/stubs
- Loans received or made documentation
- Fund-raiser announcement/invite
- Fund-raiser documentation
- Log/time sheet for campaign workers
- Petty cash ledger
- Any other documents used to verify an activity**

Candidate Committees:

Records only apply to one election (primary or general). Individual records must be established for each election in which the candidate is involved. All records are required to be kept for at least three (3) years after the election.

All Other Committees:

Individual records must be established from the date the committee is formed and kept for 3 years from date of report.



About Record-Keeping

What are the time periods?

The time period for each report begins the day after the last report was filed (or the date the Statement of Committee Organization was filed) and continues through the report closing date for the specific report being filed.

Candidate/Campaign Committees: Aggregate totals of campaign finance activity are required for each election cycle. An election cycle is defined as:

- ✓ The period beginning on the date the candidate became a candidate and ending on 11:59 pm on the date of the primary election, if the candidate has a primary election, or at 11:59 pm on the day of the general election.
- ✓ If the candidate has a general election held after a primary election, the next aggregating period begins at midnight on the day after the primary and closes at 11:59 pm on the day of the general election
- ✓ 130.041.2 RSMo

Continuing Committees (Political Action/PAC) and Political Party Committees: Aggregate totals of campaign finance activity are required for each calendar year.

What do I need to keep track of?

- ✓ Contributions (including loans received)
- ✓ Fund-raisers
- ✓ Expenditures (including loans made)
- ✓ Bank Account Balance
- ✓ Petty Cash

Bank Account

Bank (Official Depository) Account

What is an official depository account? (130.021.4 RSMo)

A checking account or some type of negotiable draft or negotiable order of withdrawal account maintained by the committee.

- ✓ Must be held in the name of committee
- ✓ Must be with a federal or state-chartered bank, savings & loan or credit union.
- ✓ Must be able to provide a record of deposits, canceled checks or other canceled instruments of withdrawal evidencing each transaction
- ✓ All contributions received by committee must be deposited in this account
- ✓ All expenditures made by the committee must be drawn from this account (except petty cash)
- ✓ Funds cannot be comingled
- ✓ Reconcile bank statements with committee records
- ✓ Keep original documents
- ✓ Examples of possible original documents
 - ◆ Monthly bank statements
 - ◆ Canceled checks/deposit slips
 - ◆ Check stub/register
 - ◆ Any other documents used to verify an activity



Contributions

Contributions

What is a Contribution? (130.011 RSMo)

A payment, gift, loan, advance, deposit or donation of money or anything of value for the purpose of supporting or opposing a candidate or ballot measure.

A contribution can be in the form of money (monetary) or in a form other than money (in-kind).

Examples of Monetary Contributions (130.011 RSMo)

- ✓ Candidate's own money used (must be deposited into official checking account)
- ✓ Funds from another source
- ✓ Receipts from sale of goods/services or fund-raisers
- ✓ Any loan, loan guarantee or cancellation of a loan or debt by a third party

Examples of In-Kind Contributions (130.011 RSMo)

- ✓ Candidate's own property used
- ✓ Payment by someone other than candidate or the committee to compensate another for services rendered
- ✓ Facilities, office space, equipment, or services supplied without charge or at a reduced charge
- ✓ Direct or indirect payment (other than by a connected organization*) of costs associated with a committee (ex: legal, accounting, computer services, fund-raising or solicitations of contributions)

Contributions DO NOT include (Examples)

- ✓ Ordinary hospitality or services provided without compensation by volunteers
- ✓ Interest earned on deposit of committee funds (Misc. receipt)
- ✓ Costs incurred by a connected organization* to maintain committee or solicit contributions
- ✓ Expenditure made by a continuing (political action/PAC) or political party committee in support of a candidate, *without the candidate's knowledge*

Contributions

Anonymous Contribution (130.031 RSMo)

- ✓ An anonymous contribution is a contribution received that is not identified to a specific individual or entity
- ✓ Anonymous contributions over \$25 are prohibited (unless received through a fund-raiser, then limited to \$100)
- ✓ Anonymous contributions cannot exceed, for the entire calendar year, the greater of \$500 or 1% of the total amount of contributions received for that same calendar year

Cash Contributions (130.110 RSMo)

- ✓ No contribution of cash in an amount of more than \$100 can be made or accepted from a single contributor for any election
- ✓ Candidates and candidate committees can not accept cash contributions that, in the aggregate, exceed \$100 per person per election cycle

Recording a Contribution (130.036 RSMo)

- ✓ Required Information (over \$25)
 - ◆ Date received (not date deposited)
 - ◆ Name & address of contributor
 - ◆ Amount of contribution
 - ◆ Type of contribution (monetary or in-kind)
 - ◆ Employer (or occupation if self-employed)
 - ◆ Contractual Relationship (candidate committee only)
- ✓ If contribution is from a committee, must include committee's name and address, regardless of the amount
- ✓ Maintain current list of contributors
- ✓ Maintain running total of contributions
- ✓ Keep original documents
- ✓ Examples of possible original documents
 - ◆ Receipts
 - ◆ Deposit slips
 - ◆ Loans received documents
 - ◆ Any other documents used to verify an activity

Contributions

Rejecting a Contribution (130.036.2 RSMo)

- ✓ A contribution can be rejected by a candidate or committee and returned to the donor within 10 business days after its receipt (or transmitted to the state treasurer),
- ✓ Rejecting **before** contribution deposited:
 - ◆ Return to contributor
 - ◆ Note in record-keeping the receipt and date returned
- ✓ Rejecting **after** contribution deposited:
 - ◆ Note in record-keeping the receipt and date returned
 - ◆ Issue check from committee bank account to original contributor
 - ◆ Report as miscellaneous disbursement (attach addendum statement)

Contributions—Sample *(to obtain contributor information)*

Contributions Received	
Date	06/01/12
Contributor name & address (or Committee info)	John Smith 101 Big Jake's Way Anytown MO 64555
Employer/Occupation (over \$25)	Retired
Amount	\$125.00
Contractual Relationship over \$500 w/state or political sub- division (<i>If yes, give brief de- scription of relationship</i>)	Yes. Owner of <i>The Grass is Greener Lawn Care</i> . Contract with City of Anytown, 41 Main Street, Anytown MO 64555. Contract dates 04/01/12 – 09/30/12. Contract amount \$750.00.

Contributions

Contributions—Sample (for treasurer's record-keeping)

Individual Contribution File						Committee type will determine if aggregate is for calendar year or election cycle	
Date	Monetary Amount	In-Kind Contribution Description	Value	Loan Fund- raiser	Rec'd at Fund- raiser	Amount Reported	Aggregate
02/25	\$ 50.00			No	No	\$ 50.00	\$ 50.00
04/01		Calculator	\$ 30.00	No	No	30.00	80.00
05/03	50.00			No	No	50.00	130.00
06/01	125.00			No	Yes	125.00	255.00

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Contributions Review

Contribution Type		Record-Keeping	Reporting
Anonymous (without contributor info)	\$0 – \$25	Yes	Non-Itemized Contributions Received
Anonymous (without contributor info)	>\$25	Prohibited	Prohibited
Anonymous (without contributor info) Fund-Raiser Only	\$25 – \$100	Yes (Fund-raiser info)	Non-Itemized Contributions Received & Fund-Raising Statement
Cash or check from an individual (as defined)	\$25-\$100	Yes (Name, address & employer/occupation)	Non-Itemized Contributions Received*
Cash	>\$100	Prohibited	Prohibited
Check From an individual (as defined)	>\$100	Yes ** (Name, address & employer/occupation)	Itemized Contributions Received
From a Committee	Cash < \$100 or Check (any amt)	Yes (Committee name & address))	Itemized Contributions Received

Expenditures

Expenditure

What is an Expenditure? (130.011 RSMo)

A payment, advance, conveyance, deposit, donation or contribution of money or anything of value to support or oppose a candidate or ballot measure (or to pay a previously incurred campaign debt or obligation).

Any expenditure can be either actual (payment made) or incurred (promise/commitment to pay).

Each expenditure of more than \$50 (except in-kind) must be made from the official depository account. Expenditures of \$50 or less may be made from petty cash (if exists).

Expenditures include (130.011 RSMo)

- ✓ Payment or promise to pay money or anything of value for the purpose of goods, services, property, facilities or anything of value to support or oppose a candidate, ballot measure or a committee
- ✓ Purchase of tickets, goods, services, or political merchandise or advertisement
- ✓ Transfer of funds to another committee
- ✓ Direct or indirect payment, other than by a connected organization*, for the costs of maintaining a committee and soliciting contributions
- ✓ Direct payment by a political action or political party committee in support of a specific candidate, if made without the knowledge of the candidate (Direct Expenditure)

Expenditures DO NOT include (130.011 RSMo)

- ✓ Any news story, commentary, or editorial published without charge
- ✓ Internal dissemination of information by any organization (unless over \$2,000/calender year)
- ✓ Repayment of loan (separate category)
- ✓ Services rendered by volunteers
- ✓ Costs incurred by a connected organization to maintain a committee or for soliciting contributions
- ✓ Use of candidate's own money or property for personal expenses and filing fee for candidacy

* See §130.011 for definition

Expenditures

Recording an Expenditure (130.036.4 RSMo)

- ✓ Required Information
 - ◆ Date & amount of each transaction
 - ◆ Name & address of person paid
 - ◆ Purpose of expenditure
 - ◆ Indicate if actual (paid) or incurred expense
 - ◆ Keep original documents
- ✓ Divide records into support/oppose categories
(continuing (political action/PAC) committees only)
- ✓ Keep original documents
- ✓ Examples of possible original documents
 - ◆ Bills/invoices/statements
 - ◆ Credit card statements
 - ◆ Check stub/register
 - ◆ Debit card receipts
 - ◆ Log/time sheet for campaign workers
 - ◆ Loans made documents
 - ◆ Any other documents used to verify an activity

Expenditure — Sample

Individual Expenditure Made	
Date	04/10/12
Amount	65.40
Name & Address (Payee)	Campaign Supplies PO Box 1614, Jefferson City Mo 63103
Purpose	Brochures
Type (Actual (paid) or Incurred)	Actual
Support or Oppose	N/A
Verifying Document(s)	Check stub #130, Invoice

Expenditures

Expenditure — Sample (for treasurer's record-keeping)

Expenditure Log						
Date	Recipient	Check No.	Address City, State Zip	Purpose	FR	Actual (paid)
04/10	Campaign Supplies	130	PO Box 1614 Jeff City MO 63103	Brochures	No	\$ 65.40
04/15	Petty Cash	131		Petty Cash	No	50.00
04/30	Deli Store	132	123 Rodeo Rd Jeff City MO 63103	Deli-trays	Yes	85.00
05/01	Photo Shop		PO Box 32 Jeff City MO 63103	Photo	No	\$ 200.00
05/15	Country Mart	134	102 Missouri Jeff City MO 63101	Water	Yes	27.50
06/01	US Post Office	135	288 Weber St. Tipton MO 65081	Stamps	No	150.00

FR = Fund-Raiser

Fund-raisers

Fund-raising

What is fund-raising? (130.011 RSMo)

An event such as a dinner, luncheon, reception, coffee, testimonial, rally, auction or similar affair through which contributions are solicited or received by:

- ✓ Purchase of tickets
- ✓ Payment of attendance fees
- ✓ Donations for prizes
- ✓ Purchase of goods, services or political merchandise

Fund-raising Statement (130.031.6 RSMo)

- ✓ Reporting a fund-raising activity is required when a candidate or committee, during a fund-raising activity, accepts contributions from individuals (not exceeding \$100 per contributor) whose names and addresses can not be obtained (ex: pass the hat, fishbowl, etc.).
- ✓ These contributions will not be deemed anonymous contributions provided certain conditions are met:
 - ◆ 25 or more contributors participate in the activity
 - ◆ An announcement is made that it is illegal for anyone to make or receive a contribution in excess of \$100 unless accompanied by the name and address of the contributor
 - ◆ The person responsible for conducting the activity does not knowingly accept payment from any single person of more than \$100 unless accompanied by the contributors name and address
 - ◆ A Fund-raising Statement is filed along with next disclosure report

Recording a Fund-raiser (130.031.6.4 RSMo)

- ✓ Required Information
 - ◆ Name & address for whom funds were raised
 - ◆ Location name and address of activity
 - ◆ Description of activity and fund-raising methods used
 - ◆ Name & address of person conducting activity
 - ◆ Date of activity
 - ◆ Approx. number of participants
 - ◆ Gross receipts & list of expenditures

Cont. →

Fund-raisers

Recording a Fund-raiser (continued)

- ◆ Total amount of contributions received:
 - From persons whose name/address weren't obtained & why
 - From persons whose name/address were identified
- ✓ Keep original documents
- ✓ Examples of possible original documents
 - ◆ Fund-raising announcement/invite
 - ◆ Rental agreement for location
 - ◆ Roster of attendees
 - ◆ Tally of contributions
 - ◆ Bills/invoices for expenses made for activity
 - ◆ Any other documents used to verify an activity

Fund-raiser—Sample

Fund-raiser			
Name & address of person funds were raised for	Marvin Senator 48 Second Street Ava MO 62222	Total Contributions (\$100 or less/person) whose name/address not obtained	\$ 1, 280.00
Location name & address	Capital Plaza	Total contributions from persons already in committee records	\$ 4, 250.00
Description	Reception	Gross Receipts	\$ 5, 530.00
Name & address of person responsible for event	Joe Entertainer 3411 Wildwood Fulton MO 65555	Explanation why name/address of persons contributing \$100 or less not obtained	Pass the hat
Date	06/15/2012	Expenditures: Food	\$ 350.00
Number of participants	60	Rent	<u>250.00</u>
Verifying Document(s)	Invite, Rental agreement, Guest sign-in sheet, Statements from vendors and hotel		

Remember, all contributions received from, and all expenditures made for, the fund-raising activity must ALSO be reported in the next full disclosure report.

Petty Cash

Petty Cash

What is petty cash? (130.031.2 RSMo)

The Campaign Finance Disclosure Law allows the use of a petty cash fund for small day-to-day expenditures.

- ✓ Single payments in cash are limited to no more than \$50.
- ✓ A petty cash fund can only be replenished by a check, made payable to "cash" and drawn on the committee's official fund depository account.
- ✓ Each cash expenditure should be recorded.
- ✓ The aggregate of all expenditures from a petty cash fund during a calendar year can not exceed the lesser of \$5,000 or ten percent of all expenditures made during that calendar year.
- ✓ Keep original documents
- ✓ Examples of possible original documents:
 - ◆ Petty cash ledger/log
 - ◆ Receipts for all cash activity
 - ◆ Any other documents used to verify an activity



Petty Cash —Sample

Petty Cash Log			
Date	Purpose	Amount	Balance
	Balance Forward		\$ 50.00
05/15/12	Staples	\$ 4.50	45.50
05/22/12	Refreshments	23.72	21.78

Reporting Checklist

Name of Report	Report Information
Statement of Committee Organization	Within 20 days of forming committee
Electronic Filing Agreement	Used to apply for MEC ID & password for campaign finance e-filing system
April Quarterly	Jan 1 – Mar 31
July Quarterly	Apr 1 – June 30
October Quarterly	July 1 – Sept 30
January Quarterly	Oct 1 – Dec 31
40 Day Before Election Report*	Closes 45 th day prior to election
8 Day Before Election Report*	Closes 12 th day prior to election
9 30 Day After Election Report*	30 days after election
24 Hours After Receipt Report	Between 11 th day through 1 day prior to election for any contrib. over \$250
48 Hr. Notice of Contribution Report	Anytime a contribution is received over \$5,000
Late Expenditure Report (Continuing (Political Action/PAC) Committee)	Expenditures of \$250 or more after the 12 th day before the election

*Only required if made contributions or expenditures for the election.

Actual reporting dates may vary depending upon date committee formed.

Training

Visit the training page on our website
for web tutorials and to
view the training schedule!

<http://www.mec.mo.gov/EthicsWeb/Training.aspx>

Notes

Missouri Ethics Commission

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Term expires March 15, 2014

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Vice Chair
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Term expires March 15, 2014

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3rd Congressional District
Term expires March 15, 2014

John Munich
Democrat
2nd Congressional District
Term expires March 15, 2016

William Stoltz
Republican
8th Congressional District
Term expires March 15, 2016

Charles E. Weedman
Republican
4th Congressional District
Term expires March 15, 2016

Contact Information

Staff Contacts

Julie A. Allen—**Executive Director**

Betsy Byers—**Director of Business Services
Campaign Finance**

Elizabeth (Liz) Ziegler—**General Counsel**

Missouri Ethics Commission

Physical Address: 3411 A Knipp Drive
 Jefferson City MO 65109

Mailing Address: PO Box 1370
 Jefferson City MO 65102

Help Desk: helpdesk@mec.mo.gov

Phone: 800-392-8660
 573-751-2020

Website: www.mec.mo.gov